

## Study of the Free Gift Strategy of the Gas Station

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### Abstract

*This study examines the gift strategy in gas station whether attracts the customer consumers intention. The young groups think the strategy is a good marketing strategy for gas station. For older group then like to choose the refueling can the charge to exchange gift. Thus, it's useful to use a gift as a marketing strategy for a gas station.*

**Keywords:** gift strategy, gas station

### Introduction

The transporting oil relies mainly on gasoline and diesel oil. Except for liquefied petroleum gas, which is dependent on importing, the others can mainly complete production without relying on imports. While the number of gas stations has been growing rapidly, domestic consumption of petroleum is much less than the domestic production of petroleum, so gas station businesses must find new strategies to attract customers, including various promotions. The statistical data from the Fair Trade Commission (2001) show that, such promotions were held in 22 counties in Taiwan. Among them, 100% of the gas stations in 11 counties had promotions (Figure 1).

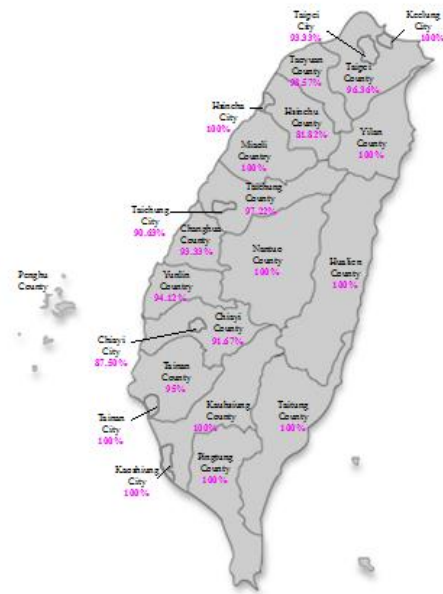


Figure 1 The implementation popularity rates of gas station premiums in Taiwan

However, the sales promotion that includes handing out a premium becomes an important strategy for gas stations owners to gain sales from customers who are willing to come to the stations repeatedly.

### Literature

Someone trend made people to develop some kind of interest in sales promotion adverts which

will run on the organisation's goods or services they are interested in order to take advantage of the priceoff, trade bonus, cash discounts, compass, gifts and even free trials (Daramola, 2014). Blattberg and Neslin (1990) dominate that short-term sales are positively affected by offering promotions. The notion that consumer promotions are informative and affect sales through more than offering a monetary incentive to purchase is not new (Raghubir, 1998), but it has never been applied to the context of free gift promotions.

“Free gift with purchase” offers appear to be inundating the marketplace (Raghubir, 2004). The efficacy of free gifts is, however, in doubt, with detractors claiming that giveaways take away from future sales, and defenders arguing that they increase them (Sexton, 1987). However, Trager (1984) indicate that associated with free gift with purchase promotions. Raghubir (1998) argue that a free offer may increase sales of the promoted product by increasing the value of the transaction.

Specifically, prior work has shown that to the extent a promotion is used as a source of information to infer the quality of a product (Raghubir and Corfman, 1999), its price (Inman et al., 1990; Raghubir, 1998), or consumer demand (Inman et al., 1997; Dey, 2017), the overall positive economic effect of offering a

promotion on purchase intentions may be undercut—being less positive than it would have been in the absence of unfavorable inferences.

Simonson, Carmon, and O'Curry (1994) found that such promotions decreased the probability of a brand being chosen. Kim and Lim (20 ) internet shopping research result indicated that many companies initially offer entertainment promotions (such as free gifts, lotteries, non-monetary events, and so on) to attract the target consumers. Indian consumer purchasing behaviour is affected by freebies (Sama, 2014).

### **Analysis**

This study adopt the questionnaires development. Except for the distribute statistical analysis, the ANOVA technologic also apply to test the different groups whether to appear difference view.

The questionnaires analysis step was followed. First, respondents were dived into five groups which according to their ages, as shown in Table 1, the groups there are:  $\leq 20$  years group, 21-30 years group, 31-40 years group, 41-50 years group, and  $\geq 40$  years group, respectively.

The statistical analysis results present that the age groups were  $\leq 20$  and 21-30, the

respondents were percept " Refueling can exchange gifts, these is a good marketing strategy" is the most agreement item. "You like choose the refueling can the charge to exchange gift" is three age groups: 31-40, 41-50, and  $\geq 51$  group shown the most agreement item.

ANOVA analysis statistical was applied. The result shown that the "Cash is better than gift feedback" item was significant difference between each age groups.

Table 1 Different age groups ANOVA test analysis

Items	Group					F-test	P-value
	$\leq 20$	21-30	31-40	41-50	$\geq 51$		
When you refueling, you will to exchange gifts according to the charges.	4.56	4.31	4.27	4.32	4.48	0.508	0.730
Exchanging gifts, you will to estimate the value of it.	4.66	4.49	4.54	4.64	4.81	0.472	0.756
Refueling can exchange gifts, these is a good marketing strategy.	<b>4.82</b>	<b>4.87</b>	4.87	4.99	4.85	0.169	0.954
You like to choose the refueling can the charge to exchange gift.	4.74	4.81	<b>4.89</b>	<b>5.19</b>	<b>5.05</b>	1.282	0.276
Cash is better than gift feedback.	3.06	3.69	3.10	2.44	2.33	8.046**	0.000

This study was according to the consumer refuel frequency in each week, the groups were divided:  $\leq 1, 2, 3, 4, 5$ , and  $\geq 6$  group, respectively.

From analysis result indicated that the three refuel frequency group:  $\leq 1, 2$ , and  $\geq 6$ , were precept the most of agreement item "You like choose the refueling can the charge to exchange gift". The other three refuel frequency group: 3, 4, and 5, they most of agreement item is " Refueling can exchange gifts, these is a good marketing strategy".

The ANOVA analysis result shown that except for item " Exchanging gifts, you will to estimate the value of it", the respondents were percept the items " When you refueling, you will to exchange gifts according to the charges " When you refueling, you will to exchange gifts according to the charges", " Refueling can

exchange gifts, these is a good marketing strategy ", " You like choose the refueling can the

charge to exchange gift ", and " Cash is better than gift feedback " had significant difference.

Table 2 Different refuel frequency groups in each week ANOVA test analysis

Items	$\leq 1$	2	3	4	5	$\geq 6$	F-test	P-value
When you refueling, you will to exchange gifts according to the charges.	4.61	4.28	4.15	4.62	3.56	4.82	2.53*	0.03
Exchanging gifts, you will to estimate the value of it.	4.73	4.47	4.53	4.84	4.78	4.36	0.97	0.43
Refueling can exchange gifts, these is a good marketing strategy.	5.20	4.72	<b>4.86</b>	<b>5.05</b>	<b>4.89</b>	5.27	2.08*	0.07
You like to choose the refueling can the charge to exchange gift.	<b>5.24</b>	<b>4.75</b>	4.81	4.97	4.89	<b>5.91</b>	3.00**	0.01
Cash is better than gift feedback.	2.60	3.22	3.43	3.22	3.11	3.00	2.32*	0.04

The different refuel charge in each time consumers were discriminate four groups:  $\leq 100$ , 101-500, 501-1000, and  $\geq 1000$  group.

" You like choose the refueling can the charge to exchange gift " item is most of agreement in  $\leq 100$  and 101-500 two groups. " Refueling can exchange gifts, these is a good marketing strategy " item then is most of agreement in 501-1000 and  $\geq 1000$  two groups.

Further use the ANOVA test analysis to understand the difference between groups. Results shown the four groups percept the five items only item "Cash is better than gift feedback" had significant and different perspective.

Table 3 Different refuel charge groups in each time ANOVA test analysis

Items	$\leq 100$	101-500	501-1000	$\geq 1000$	F-test	P-value
When you refueling, you will to exchange gifts according to the	4.61	4.28	4.15	4.62	1.522	0.208

charges.						
Exchanging gifts, you will to estimate the value of it.	4.73	4.47	4.53	4.84	0.891	0.445
Refueling can exchange gifts, these is a good marketing strategy.	5.20	4.72	<b>4.86</b>	<b>5.05</b>	0.501	0.682
You like to choose the refueling can the charge to exchange gift.	<b>5.24</b>	<b>4.75</b>	4.81	4.97	0.650	0.583
Cash is better than gift feedback.	2.60	3.22	3.43	3.22	6.225**	0.000

### Conclusion

While the marketing strategy for gifts was to applied promote consumers to gas stations and use refuel services, however, only younger consumers (under the age of 30) think that this strategy is a good marketing strategy.

For older people group (over 30 years old), they like to choose the refueling can the charge to exchange gift. So it's useful to use a gift as a marketing strategy for a gas station.

The study also found that a small number of weekly refueling groups and refueling lower amount of 500 groups, are more preferred to choose the refueling can the charge to exchange gift. Although these people each time the amount of fuel is not large, but the gift strategy can attract them to use the frequency of refuel service.

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